

FINAL STATEMENT OF REASONS

UPDATE OF INITIAL STATEMENT OF REASONS

Regulations addressing use and application of the Regional Market Rate Survey are required by the 2003-2004 Budget Act, Item 6110-196-0001, Provisions 7(b) and 7(c), and apply to all programs contracting with the Child Development Division (CDD) that utilize the Regional Market Rate (RMR) for provider reimbursement, including County Welfare Departments operating programs pursuant to Article 15.5 of Chapter 2 of Division 1 of the California *Education Code*. The proposed regulations, in order to provide statewide consistency as well as clarify reimbursement categories and the appropriate rate of reimbursement for subsidized child care services, provide definitions, conditions, and limitations on the use of certain rates, rate categories, and rate adjustments.

The proposed regulations also delete and amend portions of *California Code of Regulations, Title 5*, Chapters 19 and 19.5, in order to eliminate duplication and achieve consistency with existing statutes and 2003-2004 Budget Act language.

The emergency regulations were adopted on September 4, 2003, and readopted on December 29, 2003.

Child Development Division collaborated extensively with the California Department of Social Services (CDSS) in developing the regulations.

After extensive collaboration with CDSS and in response to significant comment and input from the field, there have been some changes in the necessity for certain sections, and some sections have been added or deleted.

These regulations are necessary in order for CDD contractors to implement changes in definition and application of changes to the use of the RMR ceilings as required by the 2003-2004 Budget Act. Full implementation of the emergency regulations was required by October 1, 2003. CDD and CDSS provided statewide training and technical assistance to contracted programs in order to achieve successful implementation.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL NOTICE PERIOD OF SEPTEMBER 26, 2003 THROUGH NOVEMBER 18, 2003.

See attached chart for comments and responses (Attachment 1).

COMMENTS RECEIVED DURING THE PERIOD THE 15-DAY NOTICE AND PROPOSED REGULATION TEXT WAS AVAILABLE TO THE PUBLIC.

The modified text was made available to the public from December 11, 2003 through December 26, 2003. See attached chart for comments and responses (Attachment 2).

COMMENTS RECEIVED DURING THE PERIOD THE SECOND 15-DAY NOTICE AND PROPOSED REGULATION TEXT WAS AVAILABLE TO THE PUBLIC.

The modified text was made available to the public from March 30, 2004 through April 13, 2004. See attached chart for comments and responses (Attachment 3).

ALTERNATIVES DETERMINATION

The Superintendent has determined that no alternative would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.

LOCAL MANDATE DETERMINATION

The proposed regulations do not impose any mandate on local agencies or school districts.